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TAGS: [ENRG](#) [ECON](#) [EPET](#) [SENV](#) [PGOV](#) [PREL](#) [TU](#)
SUBJECT: GOT PROPOSED "VOLUNTARY PRINCIPLES ON OIL TANKER TRANSIT
THROUGH THE TURKISH STRAITS"

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11. (SBU) Summary: At the December 3 meeting of the U.S. Turkey Energy Working Group, Hakki Akil, MFA deputy undersecretary for economic affairs and head of the Turkish EWG delegation, asked for U.S. consideration and support of proposed "Voluntary Principles on Oil Tanker Transit through the Turkish Straits." MFA first proposed the principles in 2004 in response to environmental, human-health, safety, and commercial concerns. At that time, the USG did not endorse the text. At the December 3 meeting, we told MFA we would review the proposed principles and be prepared to discuss it at the next working group meeting. End summary.

12. (U) At the December 3 meeting of the U.S. Turkey Energy Working Group, Akil presented a draft of "Voluntary Principles on Oil Tanker Transit through the Turkish Straits" (full text in para 5). Akil asked for U.S. support of the principles and said the GoT would seek the support of Black Sea coastal states and energy-sector companies as well. Akil explained that the idea for the principles came from the "Voluntary Principles on Security and Human Rights," signed by the U.S., the U.K., companies in the extractive and energy sectors, and NGOs in December 2000. He said the principles on the Turkish Straits were proposed in response to concerns about environmental, human-health, and safety risks related to tanker transit through the Straits, as well as companies' concerns that by building by-pass pipelines they would free up less-expensive shipping space in the Straits for competitors. The U.S. side responded that we would consider the matter and be prepared to discuss it at the next working group meeting, which is tentatively scheduled for February 2010 in Washington.

13. (SBU) According to Akil, the MFA first proposed the voluntary principles in 2004, when Akil was deputy director general for energy, environment and water affairs. According to reftel, we did not support the text at that time. We proposed (a) completely delinking the oil tanker safety issue from the pipeline issue; (b) suggesting the GoT seek consultations among governments and industry on promoting safety for oil tanker shipping; and (c) urging the GoT and governments in littoral states to move forward with timely and transparent procedures for companies' proposed pipeline projects, with selection based on commercial feasibility. According to MFA, the last discussions on the principles took place in August 2004, and the matter was not pursued further after Akil left his position at the end of that year.

14. (SBU) COMMENT: Demand for tanker transit through the Straits continues to increase, and concerns about risks of an accident are valid. Embassy supports re-engaging the Turks in a discussion on this issue, and would appreciate Department's evaluation of this new text. We would be interested to know whether the voluntary principles, with revision, are something the USG could now support or whether we could cooperate with the Turks on other measures to

address their concerns about tanker transit. End comment.

15. (SBU) Begin text quote:

"Voluntary Principles on Oil Tanker Transit through the Turkish Straits"

The Governments of the Republic of Turkey, [certain Black Sea Littoral States] [the European Union] and [the United States] ("Governments"), energy sector companies producing petroleum in the various countries of the Former Soviet Union for export to world markets ("Companies") and civil society organizations ("NGOs") together ("Participants"), sharing an interest in protecting the environment and promoting human health, safety and security, have engaged in dialogue to produce a set of principles intended to minimize risks to those values arising from hydrocarbon tankers transiting the Turkish Straits ("the Straits"), without prejudice to the passage regime, while also ensuring uninterrupted flows of petroleum to world markets ("Principles").

The Participants recognize the importance of cooperative action and the constructive role which industry and civil society can play together with governments to meet the challenge of defining these Principles. The Participants further recognize the importance of continuing this dialogue and keeping under review these Principles in order to ensure their continuing relevance and efficacy.

Recognizing that there are limits to the number of hydrocarbons tankers that can transit the Straits;

Considering that a secure and uninterrupted flow of energy has vital economic and national security significance to both energy producing and energy consuming States;

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Appreciating that the Companies are committed to operations that are commercially viable and consistent with internationally recognized standards of corporate governance and social responsibility;

Acknowledging that the protection of the environment of the Straits and of the human health, safety and security of the local population is a fundamental value shared by the Participants;

Noting that the City of Istanbul has been designated as a World Heritage Site of outstanding and universal value by the UNESCO World Heritage Convention and that the international community is thereby committed to cooperate in protecting it as a unique cultural heritage for the benefit of both present and future generations;

Recalling that the Straits have previously experienced major shipping accidents resulting in the loss of life and environmental pollution and have threatened portions of the City of Istanbul World Heritage Site;

Recognising that measures taken to minimize these risks, including the provision of systems and infrastructure to ensure safe passage of vessels through the Straits and the implementation of traffic controls, particularly during periods of poor weather and high traffic pressures, carry significant and quantifiable financial consequences for both the Turkish Government and the Companies;

Considering that various players in the petroleum industry and governments have already initiated processes to define, develop and quantify the costs associated with constructing and operating various crude oil export transportation systems to by-pass the Straits consistent with the highest international standards and practices relating to the environment, health, safety and human rights;

Bearing in mind that Governments may help ensure that hydrocarbons tankers that do transit the Straits adhere to standards of 'quality shipping' (such as those promoted by the EC Commission) through such means as port state control, environmentally-differentiated taxes

and dues and interactive waterway management;

Accordingly, the Participants hereby express their support for the following Voluntary Principles on Oil Tanker Transit through the Turkish Straits:

Quantification of the True Costs of Crude Oil Tanker Transit through the Turkish Straits

There is an ascertainable limit to the number of tankers that can cost-effectively transit the Straits;

There are quantifiable costs to the Turkish Government associated with investing in infrastructure including VTS and suitable tug boats, pilots and mobilising other equipment and related services to enable safe and efficient transit of ships;

There are quantifiable costs to the petroleum industry associated with delays to shipping and lost production when the Straits are closed or hydrocarbons tanker transit constrained;

Accordingly, the Companies agree to work together to develop a methodology for use by the Participants to quantify the following:

- The value of production that is lost and the cost of incremental shipping delays to producers of crude oil; and
- The cost to crude oil refiners who are forced to buy alternative crude oil as a result of such shipping delays and lost production.

The Participants further agree to develop a methodology to ascertain a limit to the number of tankers that can cost-effectively transit the Turkish Straits.

Pursuit of Turkish Straits By-pass Alternatives

- The Participants agree that priority should be given to maximizing the use of existing crude oil export transportation systems that by-pass the Straits;
- The Participants further agree to facilitate and support the development of new-build crude export oil transportation systems that by-pass the Straits and are constructed and operated in accordance with the highest international technical, safety, environmental, labour and human rights standards and practices; and
- The Companies agree to seek use of all available capacity in such crude oil export transportation systems prior to considering shipping crude oil through the Straits.

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Cooperative Government Measures

The Governments agree to consider and discuss the adoption of cooperative measures, consistent with the Montreux Convention and other rules of international law, to encourage ships transiting the Straits to adhere to standards of 'quality shipping' (such as those promoted by the EC Commission) through such means as coordinated port state control of ships intending to pass through the Straits, environmentally-differentiated taxes and dues and waterway management offering advantageous time slots to quality ships;

Monitoring and Review

The Participants agree to monitor adherence to these Principles and to transparently report on compliance. They agree to review them periodically and revise them as necessary. End quote.

SILLIMAN